

directly or indirectly, to control of any country identified in § 221.13(a)(4) of this part.

(d) Other Noncitizens may be granted approval by the Maritime Administrator as preferred Mortgagees, on a case-by-case basis, subject to such conditions as the Administrator may prescribe. No such Noncitizen may serve as a preferred Mortgagee of Documented Vessels, however, unless it shall first have filed with the Vessel Transfer Officer an application pursuant to § 221.25(a) of this part and received approval therefor pursuant to § 221.25(b).

§ 221.25 Application for approval as mortgagee.

(a) Noncitizen mortgagees qualifying under § 221.23 (a), (b) or (c) need not file an application.

(b) Each applicant for approval as a Mortgagee of a preferred mortgage pursuant to § 221.23(d) shall submit a completed Maritime Administration Form MA-29 to the Vessel Transfer Officer.

(c) Each approval of an application to be an approved Mortgagee shall be in writing and an original of such approval shall be provided by the Maritime Administrator to the approved Mortgagee.

(d) A list of Mortgagees who have received transactional approval will be published from time to time in the FEDERAL REGISTER, but current information as to the status of a particular Person may be obtained from the Vessel Transfer Officer.

§ 221.27 Permitted mortgage trusts.

(a) An instrument or evidence of indebtedness secured by a preferred mortgage on a Documented Vessel to a trustee may be issued, assigned, transferred to or held in trust for the benefit of, a Noncitizen if the trustee is a State or the United States Government. No application to, approval by or notice to the Maritime Administrator is required on the part of the United States Government or such State, or on the part of the mortgagor.

(b) As to all other Persons, an instrument or evidence of indebtedness secured by a mortgage on a Documented Vessel to a trustee may be issued, assigned, transferred to or held in trust

by a trustee for the benefit of a Noncitizen only if the trustee has been approved by the Maritime Administrator under this subpart, in which event no further application to, approval by or notice to the Maritime Administrator is required.

(c) If an approved trustee at any time shall no longer qualify to serve in such capacity under this subpart:

(1) The trustee shall notify the Vessel Transfer Officer of such failure to qualify not later than twenty (20) days after the event causing such failure;

(2) The Maritime Administrator shall publish a disapproval notice and order and provide the trustee and the Coast Guard with a copy thereof; and

(3) Within thirty (30) days of the date of notification provided for in paragraph (c)(1) of this section, the trustee shall have transferred its fiduciary responsibilities to a successor trustee that has been approved by the Maritime Administrator pursuant to this subpart.

(d) Any Noncitizen may be a trustee of a preferred mortgage of the Documented Vessel types specified in § 221.23(a) of this part, subject to the same conditions specified therein.

§ 221.29 Approval of corporate citizen trustee.

No corporation shall serve as a trustee pursuant to this part unless it shall first have filed with the Vessel Transfer Officer an application for approval pursuant to § 221.33(a) of this part and received approval therefor pursuant to § 221.33(b). Any approval granted pursuant to this section shall terminate if the approved institution shall fail at any time to meet the requirements of paragraphs (a) through (e) of this section. A corporate trustee will be approved under 46 U.S.C. 31328(a)(3) and (b) if it—

(a) Is a Citizen of the United States (the Maritime Administrator reserves the right to require proof of citizenship);

(b) Is organized as a corporation, and is doing business, under the laws of the United States or of a State;

(c) Is authorized under those laws to exercise corporate trust powers;